



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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## Grassley Re-introduces Bill to Help People Pay for Long-term Care

WASHINGTON -- Sen. Chuck Grassley, chairman of the Committee on Finance, has re-introduced his bipartisan legislation to help Americans pay for the high costs of long-term care -- nursing home stays, assisted living, home health aides, and other services -- that easily can exceed retirement budgets.

"More and more, Americans are interested in private insurance to pay for long-term care," Grassley said. "A lot of people get sticker shock when they see how much a nursing home or home health nurse costs. Long-term care insurance helps with the expenses, but most people find the policies unaffordable. This bill helps to make long-term care insurance more affordable, and more accessible, for more Americans."

Grassley's bill, the *Long-Term Care and Retirement Security Act of 2003* (S. 1335), is a longstanding priority. Grassley introduced the bill, as he has in the past, with Democratic Sen. Bob Graham.

Grassley said the younger the person, the less expensive the long-term care insurance policy, but most people aren't ready to buy a policy until retirement. The bill gives individuals an above-the-line tax deduction for the cost of their long-term care insurance policy. This significant deduction would phase in, with a faster phase-in for those 55 years old and older.

The bill also allows individuals or their caregivers a \$3,000 tax credit to help cover their long-term care expenses. This would apply to those who have been certified by a doctor as needing help with at least three activities of daily living, such as eating, bathing or dressing. This credit would help caregivers pay for medical supplies, nursing care and any other expenses incurred while caring for family members with disabilities.

Another provision allows employers to include the deduction provision for long-term care policies in "cafeteria plans" in which employees are able to choose from a variety of benefits for different types of care, and flexible spending accounts in which employees set aside pre-tax dollars to pay for long-term care insurance.

In introducing the bill, Grassley cited the Gardner family of Waterloo, Iowa, as individuals

who would benefit from it. Ruth Gardner is a 70-year-old mother of nine who suffers from a degenerative tissue disorder, atrial fibrillation, and congestive heart failure and is a breast cancer survivor. For the last three years, her nine children, their spouses and numerous grandchildren have worked tirelessly to fulfill Mrs. Gardner's wish of spending her last months with dignity at home, Grassley said.

Grassley said while Mrs. Gardner's wish may seem small, the task of managing her care is not. Each week family members meet to organize their schedules to provide more than 20 hours of daily care for Mrs. Gardner. Working relentlessly, and at a considerable cost, the Gardner family manages to provide around-the-clock care while balancing their work and family lives. The family has been able to locate some funding to help support the care for Mrs. Gardner; however, the family members continue to bear considerable costs, including weekly nursing visits at \$102 apiece, emergency response service at \$30 a month, and daily hospice service at \$32 an hour.

Grassley said the *Long-Term Care and Retirement Security Act* would help the nation's 22 million family caregivers like the Gardner family. A \$3,000 tax credit would help to pay for Mrs. Gardner's monthly hospice care, weekly nurse visits or help to hire a nurse to cover some of the time that the family currently donates. This legislation would help the increasing number of families placed in the difficult situation of caring for a loved one by allowing them to purchase long-term care insurance. Had this legislation been enacted earlier, long-term care insurance likely would have been an affordable option for the Mrs. Gardner, alleviating the difficult situation her family faces, Grassley said.

Grassley said as it has in the past, the bill has been endorsed by both the AARP and the Health Insurance Association of America. A companion bill sponsored by Reps. Nancy Johnson and Earl Pomeroy is pending in the House.

"An aging nation has no time to waste in preparing for long-term care," Grassley said. "The need to help people afford long-term care is more pressing than ever. I look forward to working with Senator Graham and our colleagues in the Senate to get our bill passed into law as soon as possible."